1/21/2001 18:07 FAX 202 501 1550

* JAMES SENSENBRENNEN, Ju.
Nimma Dietrict, Wiecemann
COMMITTEE ON THE JURKLARY.



II - D-05
WASHINGTON CAPICES

A-Z001-Z0

Figgs 2032 Saydlan House (0) 410 billione Washington, OC 20015—4009 202-225 5101

LIISTRICT CORCE:

120 Bushuff Way, ficiam sim Emilikarikad, WI \$2005 John 202-784-1111

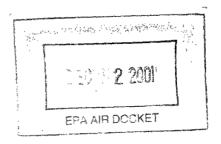
OUTSIDE MII WALIKEE METRO CALANG ARFA 1-800-242 1179

Congress of the United States House of Representatives

Washington, DC 20515-4909

November 21, 2001

The Honorable Christine Whitman Administrator U.S. Environmental Protection Agency Mail Code 6102 401 M Street, SW Room 1500 Washington, DC 20460



RE: Public Docket #A-2001-20

Dear Administrator Whitman:

I write to offer comment on EPA's recently released Study of Unique Gasoline Fuel Blends and the actions EPA is taking in the near term to provide for a smoother winter-to-summer transition. I appreciate you opening this public comment period so that my constituents and I have an opportunity to provide you with our views on this issue. I also appreciate your continuing efforts to address this problem.

As a long-time critic of the reformulated gasoline (RFG) program, it came as no surprise to me that onerous summer RFG regulations, first implemented two years ago, have cost Wisconsin consumers dearly. In March of last year, I contacted you to express my concern that due to your predecessor failing to act to streamline these regulations, drivers across the Midwest were likely to see price hikes as summer approached. Indeed, just as in the spring of 1999, the spring of 2000 brought about unnecessarily steep gasoline price spikes. The repeat of these price increases in the only two years of the summer RFG program leaves no doubt that the RFG requirements are driving the price increases. If my constituents are to be able to buy gasoline at reasonable prices, the RFG program must be scrapped or fixed.

Given the numerous problems caused by the RFG program, including health questions from the use of MTBF, reduced gasoline mileage, engine performance concorns, generally higher costs, and the price spikes seen over the past two years, I continue to oppose the program's implementation in Wisconsin. At the same time, I applied your efforts to take a critical look at the program and the expanded use of boutique fuels.

The proposals forwarded by EPA represent modest, though positive, steps toward alleviating the problems posed by the current RFG program. Allowing for a more gradual transition from winter to summer grade fuels, providing producers more flexibility in meeting fuel

The Honorable Christine Whitman November 20, 2001 Page Two

specifications, streamlining RFG accounting and reporting requirements, and permitting some fuels to be properly classified as RFG, are necessary steps toward ameliorating the impacts of the current regulations. Though they may prove beneficial, by themselves they do not represent a panacea for our nation's gasoline price problems.

A vital problem that must be addressed is the "balkanization" of U.S. fuel markets. The federal, state, and local requirements for specialized gasoline has produced a system of numerous boutique fuels being used in a variety of regions around the country. Neighboring towns, cities, counties, and states often use different types of fuel. Thus, when our aging and insufficient energy infrastructure encounters a problem, it is often not possible to simply bring in more fuel from other parts of the state or region. Presently only eight refineries supply gasoline to the entire Chicago-Milwaukec market. Because of the boutique fuels regulations, this has made our area extremely vulnerable to what would otherwise be minor disruptions, such as the pipeline break last year and the refinery fire this year.

In addition to increased refinery capacity and other infrastructure improvements, I support efforts to reduce the number of fuels used across the country. EPA should work with state and local governments in an effort to create a small number of regional fuels, which take into account the differing fuel needs across the country while permitting fuels to be more fungible than under current regulations. This will serve to lessen the impacts of minor infrastructure disruptions.

Recognizing that the use of boutique fuels is not likely to disappear overnight, in the near-term, states and localities need the ability to opt-out of RFG requirements temporarily. During the price spike that occurred in 1999, I, as well as many other representatives, repeatedly requested that Midwest states be allowed a temporary waiver from the RFG program so that the Chicago-Milwaukee market could bring in conventional gasoline to reduce the exorbitant prices consumers were forced to pay. Despite the clear need for such a waiver, it was denied by your predecessor. This experience indicates the need for a more standardized system to allow for state and local flexibility when infrastructure or other problems arise.

A primary problem of the RFG program has been the inflexibility of its mandates, most clearly illustrated in the regulations regarding the switch from winter to summer blend RFG. Efforts on your behalf to introduce greater flexibility into the system would go a long way toward reducing the program's adverse impacts on my constituents. Thank you for your careful consideration of these comments.

Sincercly,

F. JAMES SENSENBRENNER, JR., Member of Congress

FJS/raz